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ACTION

September 14, 1972

State, NSC reviews completed

MEMORANDUM FOR GENERAL HAIG

FROM: A. Denis Clift
SUBJECT: Canadian Elections

At the NSC's request, State and CIA have forwarded the memoranda at Tab B reviewing the prospects for Canada's general elections on October 30.

Trudeau is expected to win. Canada's economy -- in particular, the unemployment rate -- and US-Canadian relations will figure as issues in the campaign. While Quebec may pose some problems for Trudeau, it is not anticipated that the Quebec separatists and the FLQ will mount a terrorist campaign before the elections.

The memorandum for your signature to the President at Tab A would provide a review of the Canadian election prospects, the setting and the issues.

RECOMMENDATION

That you sign the memorandum to the President at Tab A.

MORI/CDF per C03316296
applies.

ADC:mmm

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THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN...
INFORMATION

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September 15, 1972

MEMORANDUM FOR THE PRESIDENT

FROM: General Haig
SUBJECT: Canadian Elections

On September 1, Prime Minister Pierre Trudeau announced that Canada's next general election will be held on October 30, 1972. The following paragraphs provide a brief review of the election prospects and probable issues in the campaign.

I. The Setting

The principal contenders are the incumbent Prime Minister Trudeau of the Liberal Party, Robert Stanfield, leader of the Progressive Conservatives, and New Democratic Party (NDP) head David Lewis. In his campaign Trudeau can be expected to project an image of a shirt-sleeved, hard-working leader of a team, in contrast to the swinging playboy of 1968. His slogan is "national integrity." Opposition leader Stanfield, tough, intelligent but colorless, has had great difficulty in stealing the headlines from the charismatic prime minister. His party is campaigning on a platform of "A job for Canadians." The NDP trails far behind the other two both in current popularity and in parliamentary seats.

Trudeau is expected to win, with the latest polls showing his party as the choice of 42 percent of the voters who have decided compared with 32 percent for the Progressive Conservatives. However, the prospect of a large parliamentary majority for Trudeau's Liberals is not as good this time as in 1968 (155 of 264 seats). The soft spots are in southern Ontario and British Columbia, in each of which they might lose seven seats. The Liberals could be returned with a small majority or perhaps a plurality, in which case Trudeau would head a minority government like Pearson before him.

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INTELLIGENCE SOURCES AND METHODS INVOLVED

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II. The Issues

-- Canada's Economy. Economic issues will figure heavily in the campaign. Trudeau has been wrestling with concurrent problems of inflation and unemployment since he took office. In September 1971, the seasonally adjusted unemployment rate was almost seven percent -- the highest in a decade.

While there has been some improvement over the past 18 months, inflation is still a problem and unemployment remains high. The Conservatives, who approve of Trudeau's efforts to attain price stability, are unlikely to propose significant alternatives. However, as indicated by Stanfield's slogan, they will hit hard on the unemployment issue.

-- US-Canadian Relations. Canadian independence, particularly in the context of US-Canadian relations, will be a campaign issue with debate covering such issues as the continuing US-Canadian trade negotiations, US consumption of Canadian resources, and US investment in Canadian industry. Trudeau's 1972 legislation on foreign investment was mild in nature, and both the Conservatives and the NDP have attacked it as being incapable of fostering Canadian ownership of the economy. Trudeau can also expect to be criticized for the strains which have taken place in US-Canadian relations. However, the results of your state visit to Canada in April have done much to blunt this attack.

-- Quebec and the Front for the Liberation of Quebec (FLQ). Quebec, a recurrent problem for a long succession of federal governments, will again be a sticky issue. As a French Canadian politician from Quebec, Trudeau was expected to deal more effectively with Quebec's problem when he became prime minister. Trudeau did impose order in the province, especially during the FLQ terrorist upsurge in late 1970, but he has also attempted to meet Quebecois demands for greater autonomy and wider recognition of its special place within the confederation.

ADClift:mm:9/14/72

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